

ILLEGIB

15 March 1957

MEMORANDUM FOR THE RECORD

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FROM: Chief, Budget Division

SUBJECT: Proposed CIA Legislation

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1. A meeting was held with Mr. Norman Paul, Legislative liaison, and Mr. Larry Houston and [redacted] of the Office of the General Counsel, to discuss certain questions which had been raised by them concerning the proposed legislation submitted by CIA, (based on 19 February draft). The following conclusions were arrived at and were agreed to on behalf of the Office of the Comptroller:

a. Section 3 (b) - It was concluded that the language concerning R&D contracts stemmed primarily from the need for No-year fund authority in the Agency. The value of this legislation was not too clear since the language would be "subject to the availability of appropriations therefor." It was decided that this particular Section could be omitted.

b. Section 5 (4) which appears on the third page was next discussed. [redacted] pointed out that Section 2 of the proposed legislation provided for the complete amendment of Section 5 of the CIA Act of 1949. The position was taken that, by and large, the provisions of Section 5 (4) were now contained in our legislation and that it would be advisable to continue that language in order to avoid any question as to the propriety of making charges in accordance with present policy. The question was raised as to whether this authority was used only on unvouchered funds. The response was made that this authority was also used in connection with [redacted] activities on the vouchered side and that a change in the legislation could readily raise questions in connection with the audit of vouchered disbursements. It was concluded that this item should therefore be retained in the proposed bill.

c. The new Section 6 (h) under Section 4 of the proposed bill on page 4 of the proposed draft was then discussed. In view of the provisions of ASM 23 revised, the position was taken that this language was not of any particular importance in that by careful administration funds obtained from the disposition of automobiles could be used to replace such automobiles during the period ranging from one to two years. The opinion was expressed that if a replacement was not acquired within this period there would be serious question as to whether it could be considered as a replacement.

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It was pointed out that this authority had been picked up because it had been enacted as a part of the Foreign Service Legislation. Further discussion indicated that this, however, might raise a question as to the number of vehicles in the Agency and might raise general questions concerning the Agency policy in connection with Agency vehicles; since the method of handling them involves security considerations: [REDACTED] it was considered advisable not to include the language since the advantages did not seem to offset the possible disadvantages.

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